

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7752

BILL NUMBER: HB 1424

DATE PREPARED: Jan 6, 2001

BILL AMENDED:

SUBJECT: Indiana Economic Development Partnership Fund.

FISCAL ANALYST: Brian Tabor

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Economic Development Partnership Fund and provides that the Fund shall be used for the establishment and support of regional technology centers, the expansion of the Purdue Technical Assistance Program, and the creation of a rural/community economic development regional outreach program by Purdue University. It also sets forth certain criteria and procedures for the establishment of regional technology centers and requires Purdue University to provide certain assistance to the centers and to local communities.

The bill further provides that Purdue University shall establish a rural/community economic development regional outreach program to provide specialists to rural and less populated areas of Indiana to focus on assisting local leadership, local and regional economic development personnel, and other providers of service on community and economic development issues.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill establishes the Indiana Economic Development Partnership Fund which will provide grants for the following purposes:

- (1) establishing regional technology centers;
- (2) providing leadership and technical support to these centers;
- (3) expanding Purdue University's Technical Assistance Program in ten regions in Indiana;
- (4) creating a rural/community economic development outreach program through Purdue; and
- (5) expanding workforce development for high technology business development.

The Indiana Economic Development Partnership Fund would be administered by the State Budget Agency (SBA) and would consist of gifts, grants, and appropriations from the General Assembly (although appropriations are *not* provided in this bill). Money in the Fund would not revert to the state General Fund

at the end of the fiscal year and could be invested by the Treasurer of State if not otherwise obligated. It is expected that the Budget Agency would be able to absorb the expenses associated with administering this fund.

With respect to regional technology centers, the SBA would be required to review proposals, establish rules, and monitor performance. If the Agency approves a center, it may allocate money for construction and up to \$250,000 annually for operating costs (for up to four years). No more than five centers may be approved in a single biennium, and any appropriations from the Indiana Economic Development Partnership Fund would be reviewed by the Budget Committee. The SBA is authorized by this bill to contract with Purdue University for staff support. The Agency may also receive up to 0.92% of the money appropriated from the Indiana Economic Development Partnership Fund to carry out these duties and to contract with Purdue.

The bill also requires Purdue University to use its expertise to support regional technology centers, enter into partnerships with Indiana institutions of higher education to expand the Technical Assistance Program, create a rural/community economic development outreach program, and issue reports to the Budget Committee regarding these endeavors. Funding for these activities would come from the Indiana Economic Development Partnership Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Budget Agency, Purdue University and other institutions of higher education.

Local Agencies Affected:

Information Sources: